

VOLUNTARY PETITION

United States Bankruptcy Court Northern District of Illinois		VOLUNTARY PETITION												
Name of Debtor (if individual, enter Last, First, Middle): KMART CORPORATION	Name of Joint Debtor (Spouse) (Last, First, Middle):													
All Other Names used by Debtor in the last 6 years (include married, maiden, and trade names):	All Other Names used by Joint Debtor in the last 6 years (include married, maiden, and trade names):													
Soc. Sec./Tax I.D. No. (if more than one, state all): 38-0729500	Soc. Sec./Tax I.D. No. (if more than one, state all):													
Street Address of Debtor (No. & Street, City, State & Zip Code): 3100 West Big Beaver Road Troy, MI 48084	Street Address of Debtor (No. & Street, City, State & Zip Code):													
County of Residence or of the Principal Place of Business: Oakland	County of Residence or of the Principal Place of Business:													
Mailing Address of Debtor (if different from street address):	Mailing Address of Joint Debtor (if different from street address):													
Location of Principal Assets of Business Debtor (if different from addresses listed above):														
INFORMATION REGARDING DEBTOR (Check the Applicable Boxes)														
Venue (Check any applicable box) <ul style="list-style-type: none"> <input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District. 														
Type of Debtor (Check all boxes that apply) <ul style="list-style-type: none"> <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other _____ 	Chapter or Section of Bankruptcy Code Under Which the Petition Is Filed (Check one box) <ul style="list-style-type: none"> <input type="checkbox"/> Chapter 7 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Sec. 304-Case ancillary to foreign proceeding 													
Nature of Debts (Check one box) <ul style="list-style-type: none"> <input type="checkbox"/> Consumer/Non-Business <input checked="" type="checkbox"/> Business 	Filing Fee (Check one box) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Full Filing Fee attached. <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only) <p>Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form No. 3.</p> 													
Chapter 11 Small Business (Check all boxes that apply) <ul style="list-style-type: none"> <input type="checkbox"/> Debtor is a small business as defined in 11 U.S.C. § 101. <input type="checkbox"/> Debtor is and elects to be considered a small business under 11 U.S.C. § 1121(e). (optional) 														
Statistical/Administrative Information(Estimates only) <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors 														
Estimated Number of Creditors <table border="0"> <tr> <td>1-15</td> <td>16-49</td> <td>50-99</td> <td>100-199</td> <td>200-999</td> <td>1,000-over</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> </tr> </table>	1-15	16-49	50-99	100-199	200-999	1,000-over	<input type="checkbox"/>	<input checked="" type="checkbox"/>	THIS SPACE IS FOR COURT USE ONLY					
1-15	16-49	50-99	100-199	200-999	1,000-over									
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>									
Estimated Assets <table border="0"> <tr> <td>\$0 to \$50,001 to \$100,001 to \$500,001 to \$500,001 to \$1 million</td> <td>\$500,001 to \$10 million</td> <td>\$1,000,001 to \$10 million</td> <td>\$10,000,001 to \$50 million</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	\$0 to \$50,001 to \$100,001 to \$500,001 to \$500,001 to \$1 million	\$500,001 to \$10 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
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<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											
Estimated Debts <table border="0"> <tr> <td>\$0 to \$50,001 to \$100,001 to \$500,001 to \$500,001 to \$1 million</td> <td>\$500,001 to \$10 million</td> <td>\$1,000,001 to \$10 million</td> <td>\$10,000,001 to \$50 million</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table>	\$0 to \$50,001 to \$100,001 to \$500,001 to \$500,001 to \$1 million	\$500,001 to \$10 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>						
\$0 to \$50,001 to \$100,001 to \$500,001 to \$500,001 to \$1 million	\$500,001 to \$10 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million											
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>											

**U.S. Bankruptcy Court
Northern District of Illinois**
 FILED: 01/22/02
 Time: 8:02 a.m.
 Debtor: KMART CORPORATION
 Case #: 02-02474
 Chapter 11 Rec# 324660
 Judge Susan Pierson Sonderby



1:02BK02474-BK00

VOLUNTARY PETITION

(This page must be completed and filed in every case)

Name of Debtor(s):

KMAR CORPORATION

Prior Bankruptcy Case Filed Within Last 6 Years (If more than one, attach additional sheet)

Location
Where Filed: None

Date Filed:

Pending Bankruptcy Case Filed by Any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet.)

Name of Debtor:
See Annex A

Date Filed:

District:

Case Number:

Date Filed:

Relationship:

Judge:

SIGNATURES

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.

[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

Signature of Debtor

X

Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of Attorney

Signature of Attorney for Debtor(s)

John Wm. Butler, Jr.

Printed Name of Attorney for Debtor(s)

Skadden, Arps, Slate, Meagher & Flom (Illinois)

Firm Name

333 W. Wacker Drive, Chicago, IL 60606

Address

(312) 407-0700

Telephone Number

January 22, 2002

Date

EXHIBIT A

(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)

Exhibit A is attached and made a part of this petition.

EXHIBIT B

(To be completed if debtor is an individual whose debts are primarily consumer debts)

I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter.

X

Signature of Attorney for Debtor(s)

Date

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

Signature of Authorized Individual

Charles C. Conaway

Name of Authorized Individual

Chief Executive Officer

Title of Authorized Individual

January 22, 2002

Date

Signature of Non-Attorney Petition Preparer

I certify that I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110, that I prepared this document for compensation, and that I have provided the debtor with a copy of this document.

Printed Name of Bankruptcy Petition Preparer

Social Security Number

Address

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

Signature of Bankruptcy Petition Preparer

Date

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. § 110; 18 U.S.C. § 156.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re : X
KMART CORPORATION, : Chapter 11
a Michigan Corporation :
Debtor. : Case No. 02-_____()
----- X

Exhibit "A" to Voluntary Petition

1. The Debtor's common stock is registered under section 12 of the Securities Exchange Act of 1934. The Debtor's SEC file number is 001-00327.
2. The following unaudited financial data is derived from the Debtor's books and records as of January 2, 2002, which are unaudited. The Debtor does not certify as to the accuracy of this information.

a. Total assets	\$16,287,000,000
b. Total debts (including debts listed in 2.c., below)	\$10,348,000,000
c. Debt securities held by more than 500 holders	**
d. Number of shares of preferred stock:	0
e. Number of shares common stock:	498,416,655 (as of October 31, 2001)
3. Brief description of debtor's business: Kmart Corporation is the nation's second largest discount retailer and the third largest general merchandise retailer. Kmart Corporation currently operates approximately 2,114 stores, primarily under the Big Kmart or Kmart Supercenter format, in all 50 United States, Puerto Rico, the U.S. Virgin Islands and Guam. Kmart Corporation's general merchandise retail operations are located in approximately 321 of the 331 Metropolitan Statistical Areas in the United States.
4. List the names of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor:

Barrow, Hannley, Mewhinney & Strauss
Burkle, Ronald W.
Dodge & Cox, Inc.
FMR Corporation
Vanguard Windsor Fund

Please note: The financial information contained herein is derived from unaudited sources. No certification as to its accuracy can be made.

** The following represent Kmart Corporation's outstanding publicly held securities: 8 3/8% Notes due December 1, 2004; 12-1/2% Debentures due March 1, 2005; 9.375% Notes due February 1, 2006; 8-1/8% Notes due December 1, 2006; 9-7/8% Notes due June 15, 2008; 7-3/4% Debentures due October 1, 2012; 8-1/4% Notes due January 1, 2002; 8-3/8% Debentures due July 1, 2022; 7.95% Debentures due February 1, 2023; and Medium Term Notes Series A, B, C, and D. Although the Debtor is unable to ascertain the actual number of current holders at this time, the notes are believed to be widely distributed. The aggregate amount of debt outstanding on these notes is \$2,377,532,000.

ANNEX A - AFFILIATED DEBTORS

On the date hereof, the following affiliated entities filed petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Illinois in the enumerated order¹:

1. Kmart Corporation of Illinois, Inc.	23. JAF, Inc.
2. Kmart of Indiana	24. VTA, Inc.
3. Kmart of Pennsylvania LP	25. Big Beaver of Caguas Development Corporation II
4. Kmart of Texas L.P.	26. Big Beaver of Carolina Development Corporation
5. Kmart of North Carolina LLC	27. K mart Pharmacies, Inc.
6. Big Beaver of Florida Development, LLC	28. Kmart Pharmacies of Minnesota, Inc.
7. Bluelight.com LLC	29. Builders Square, Inc.
8. Kmart Michigan Property Services, L.L.C.	30. Kmart CMBS Financing, Inc.
9. TC Group I LLC	31. K mart International Services, Inc.
10. Troy CMBS Property, L.L.C.	32. PMB, Inc.
11. Kmart Financing I	33. Sourcing & Technical Services Inc.
12. Kmart Corporation	34. ILJ, Inc.
13. Big Beaver Development Corporation	35. STI Merchandising, Inc.
14. Big Beaver of Caguas Development Corporation	36. KBL Holding Inc.
15. Big Beaver of Guaynabo Development Corporation	37. KLC, Inc.
16. BlueLight.com, Inc.	38. S.F.P.R., Inc.
17. Kmart Holdings, Inc.	
18. Kmart of Amsterdam, NY Distribution Center, Inc.	
19. Kmart Stores of Indiana, Inc.	
20. Kmart of Michigan, Inc.	
21. Kmart Stores of TNCP, Inc.	
22. Kmart Overseas Corporation	

¹ Kmart Corporation of Illinois, Inc., an Illinois corporation, is the first to file its Chapter 11 case. Kmart Corporation of Illinois, Inc. is a wholly owned subsidiary of Kmart Corporation. In turn, Kmart Corporation either directly or indirectly wholly owns or controls the remaining debtor entities.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

----- X
In re : Chapter 11
KMAR CORPORATION, :
a Michigan Corporation : Case No. 02-____ ()
Debtor. :
----- X

CONSOLIDATED LIST OF CREDITORS HOLDING 50 LARGEST UNSECURED CLAIMS

Following is a consolidated list of creditors holding the 50 largest unsecured claims, as of approximately January 18, 2002. The list has been prepared on a consolidated basis, based upon the books and records of the debtor and certain affiliated entities that have contemporaneously commenced chapter 11 cases in this Court (collectively, the "Debtors"). The Debtors believe that this list is representative of the 50 largest creditors in each of the affiliated cases. The information presented in the list shall not constitute an admission by, nor is it binding on, the Debtors.¹

The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101 or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 50 largest unsecured claims.²

¹ The Debtors will file schedules of assets and liabilities (the "Schedules") in accordance with 11 U.S.C. § 521 and Fed. R. Bankr. P. 1007. The information contained in the Schedules may differ from the information set forth below.

² The Debtors have not yet identified which of the 50 largest unsecured claims, if any, are contingent, unliquidated, disputed and/or subject to setoff. The Debtors reserve the right to identify any of the 50 largest unsecured claims in their Schedules as contingent, unliquidated, disputed and/or subject to setoff, as appropriate.

(1) NAME OF CREDITOR AND COMPLETE MAILING ADDRESS INCLUDING ZIP CODE	(2) NAME, TELEPHONE NUMBER AND COMPLETE MAILING ADDRESS IN- CLUDING ZIP CODE, OF EMPLOYEE, AGENT, DEPARTMENT OF CREDITOR FAMILIAR WITH CLAIM	(3) NATURE OF CLAIM (trade debt, bank loan, government contract, etc.)	(4) C U D S'	(5) AMOUNT OF CLAIM (if secured also state value of secu- rity)
Bank of New York Trustee as trustee for 8 3/8% Notes due December 1, 2004; 12- 1/2% Debentures due March 1, 2005; 9.375% Notes due February 1, 2006; 8- 1/8% Notes due December 1, 2006; 9- 7/8% Notes due June 15, 2008; 7-3/4% Debentures due October 1, 2012; 8-1/4% Notes due January 1, 2002; 8-3/8% Deben- tures due July 1, 2022; 7.95% Debentures due February 1, 2023; and Medium Term Notes Series A, B, C, and D.	Bank of New York Trustee 5 Penn Plaza New York, NY 10119 Attn: Paul Schmazel Phone: 212-896-7172 Fax: 212-896-7294	Notes		\$2,377,532,000
BankBoston, N.A.	BankBoston, N.A. 100 Federal Street Boston, MA 02110 Attn: Kathleen Dimock Phone: 617-434-3830 Fax: 617-434-6685	Loan		\$119,910,000
Chase II	Chase II c/o Chase Manhattan Bank 1 Chase Manhattan Plaza New York, NY 10081 Attn: Barry Bergman / Chase II Phone: 212-270-0203 Fax: 212-270-5646	Loan		\$117,775,000
Bank of New York	Bank of New York One Wall Street 8th Floor New York, NY 10286 Attn: William Barnum Phone: 212-635-1019 Fax: 212-635-1483	Loan		\$104,470,000
Credit Suisse First Boston	Credit Suisse First Boston 11 Madison Avenue 10th Floor New York, NY 10010 Attn: Kristin Lepri / Credit Suisse First Boston Phone: 212-325-9058 Fax: 212-325-8309	Loan		\$83,198,000
First Union National Bank	First Union National Bank One South Penn Square 12th Floor Widener Building Philadelphia, PA 19107 Attn: Margaret J. Gibbons / First Union Na- tional Bank Phone: 267-321-6613 Fax: 267-321-6700	Loan		\$81,884,000
Fleming Companies	Fleming Companies 1945 Lakepointe Dr. PO Box 299013 Lewisville, TX 75029 Attn: Bill Marquard Phone: 972-906-8860 Fax: 972-906-8424	Trade		\$75,820,923

John Hancock Life Insurance Co.	John Hancock Life Insurance Co. 200 Clarendon St. Boston, MA 02116 Attn: Roger G. Nastou Phone: 617-572-6000 Fax: 617-572-1605	Notes		\$72,674,000
Bank One, NA	Bank One, NA 1 Bank One Plaza Suite IL1-0086 Chicago, IL 60670 Attn: Debora K. Oberling / Bank One, NA Phone: 312-732-4644 Fax: 312-336-4380	Loan		\$65,704,000
Handleman Co	Handleman Co 500 Kirts Blvd. Troy, MI 48084 Attn: Steve Stromer Phone: 248-362-4400 Fax: 248-362-3615	Trade		\$63,679,560
Buena Vista Home Video	Buena Vista Home Video 139 Vista Dr. Cannonsburg, PA 15317 Attn: Jim Davis Phone: 724-746-5050	Trade		\$56,275,198
Comerica Bank	Comerica Bank 500 Woodward Avenue P.O Box 75000 MC 3268 Detroit, MI 48275 Attn: Jennifer Pugliano / Comerica Bank Phone: 313-222-9644 Fax: 313-222-9514	Loan		\$53,631,000
Bank of America	Bank of America Jon Barnes 100 N Tryon Street 12th Floor NC1-007-12-08 Charlotte, NC 28255 Attn: Jon Barnes / Bank of America Phone: 704-387-4366 Fax: 704-409-0768	Loan		\$44,925,000
Nintendo of America Inc	Nintendo of America Inc 4820 150th Ave. NE Redmond, WA 98052 Attn: Randy Peretzman Phone: 425-861-2059 Fax: 425-882-3585	Trade		\$44,913,692
Mattel Toys	Mattel Toys 501 Meacham Blvd Fort Worth, TX 76106 Attn: Tom Bonge Phone: 310-252-6271 Fax: 817-302-3391	Trade		\$44,120,598
Key Bank National Association	Key Bank National Association 127 Public Square 6th Floor Cleveland, OH 44114-1306 Attn: J T Taylor / Key Bank National Association Phone: 216-689-3589 Fax: 216-689-4981	Loan		\$38,930,000

Mellon Bank, N.A.	Mellon Bank, N.A. One Mellon Bank Center Room 4530 Pittsburgh, PA 15258-0001 Attn: Louis Flori / Mellon Bank, N.A. Phone: 412-234-7298 Fax: 412-236-1914	Loan		\$38,930,000
Wells Fargo Bank	Wells Fargo Bank 230 West Monroe Suite 2900 Chicago, IL 60606 Attn: Pete Martinets / Wells Fargo Bank Phone: 312-845-8605 Fax: 312-553-4783	Loan		\$38,930,000
Prudential Securities Credit Corp.	Prudential Securities Credit Corp. One New York Plaza 16th Floor New York, NY 10292-2016 Attn: Jeffrey K. French / Prudential Securities Credit Corp. Phone: 212-778-1540 Fax: 212-778-2535	Loan		\$37,205,000
Sumitomo Mitsui Banking Corporation	Sumitomo Mitsui Banking Corporation 233 South Wacker Drive Suite 4010 Chicago, IL 60606 Attn: John Kemper / Sumitomo Mitsui Banking Corporation Phone: 312-876-7797 Fax: 312-876-6436	Loan		\$37,205,000
Teachers Insurance & Annuity Association-CREF	Teachers Insurance & Annuity Association-CREF 730 3rd Ave., Flr. 26 New York, NY 10017 Attn: Michael O'Kane Phone: 212-490-9000 Fax: 212-916-6690	Notes		\$36,158,000
Mizuho Holdings Inc.	Mizuho Holdings Inc. Marunouchi Center Bldg. 6-1 Marunouchi, 1-Chome Chiyoda-ku, Tokyo 100-8240 Japan Phone: 81-3-5224-1111 Fax: 81-3-3215-4616	Loan		\$34,577,000
Twentieth Century Fox Home Entertainment	Twentieth Century Fox Home Entertainment P.O. Box 900 Beverly Hills, CA 90213 Attn: Mike Weetman Phone: 310-369-1484 Fax: 310-369-4713	Trade		\$34,219,742
Bank of Scotland	Bank of Scotland 565 Fifth Avenue 5th Floor New York, NY 10017 Attn: Karim McLean / Bank of Scotland Phone: 212-450-0816 Fax: 212-682-5720	Loan		\$32,852,000

Firststar Bank, N.A.	Firststar Bank, N.A. Retail and Approval Division Mail Code SL-TW-12MP St. Louis, Missouri 63101 Attn: Tom Bayer / Firststar Bank, N.A. Phone: 314-418-3993 Fax: 314-418-1963	Loan		\$31,867,000
Universal Music & Video	Universal Music & Video 10 Universal City Plaza, Suite 400 Universal City, CA 91608 Attn: Joe Flores Phone: 818-777-4535 Fax: 818-866-1599	Trade		\$30,750,077
State of Wisconsin Investment Board- Intermed. Govt/Corp Fd.	State of Wisconsin Investment Board- Intermed. Govt/Corp Fd. 121 E. Wilson St. Madison, WI 53703 Attn: Daryl Moe Phone: 608-266-2381 Fax: 608-266-2436	Notes		\$30,000,000
Sara Lee Corp	Sara Lee Corp P.O. Box 2760 Winston-Salem, NC 27102 Attn: John Piazza Phone: 910-519-7592 Fax: 336-519-716	Trade		\$28,382,838
National City Bank, Columbus	National City Bank, Columbus 155 East Broad Street Columbus, OH 43251-0019 Attn: Jeffrey L. Hawthorne / Natl City Colum Phone: 614-463-7298 Fax: 614-463-7191	Loan		\$26,774,000
Deutsche Bank AG	Deutsche Bank AG 31 West 52nd Street New York, NY 10019 Attn: Alexander Karow / Deutsche Bank AG Phone: 212-469-8532 Fax: 212-469-8212	Loan		\$26,610,000
Northwestern Mutual Series Fund (Bal- anced)	Northwestern Mutual Series Fund (Balanced) 720 E. Wisconsin Ave. Milwaukee, WI 53202 Attn: Timothy S. Collins Phone: 414-665-1444 Fax: 414-625-2639	Notes		\$25,000,000
Lehman Commercial Paper Inc.	Lehman Commercial Paper Inc. Lehman Brothers Inc. 3 World Financial Center 11th Floor New York, NY 10285 Attn: Michael O'Brien / Lehman Commer- cial Paper Inc. Phone: 212-526-0437 Fax: 212-526-7691	Loan		\$24,885,000
Metropolitan Life Insurance Co. (New York, NY)	Metropolitan Life Insurance Co. (New York, NY) 1 Madison Ave. New York, NY 10010 Attn: Thomas E. Lenihan Phone: 973-254-3000 Fax: 973-254-3052	Notes		\$23,800,000

Vanguard Total Bond Market Index Fund	Vanguard Total Bond Market Index Fund 100 Vanguard Blvd. #M32 Malvern, PA 19355 Attn: Felix B. Lim Phone: 610-669-1000 Fax: 610-669-6246	Notes		\$23,500,000
Combine International	Combine International 354 Indusco Court Troy, MI 48083 Attn: Shrik Metha Phone: 248-595-9900 Fax: 248-585-8641	Trade		\$22,962,117
Teacher Retirement System of Texas	Teacher Retirement System of Texas 1000 Red River St. Austin, TX 78701 Attn: Herman Martina Phone: 512-397-6400 Fax: 512-370-0568	Notes		\$22,890,000
Duracell International	Duracell International Prudential Center 10th Floor Boston, MA 02199 Attn: Don Hoeder Phone: 800-544-0047 Fax: 617-421-7123	Trade		\$22,886,461
Michigan Natl Bank of Detroit	Michigan Natl Bank of Detroit 2600 W. Big Beaver Troy, MI 48084 Attn: Jason W. Bierlein / Michigan Natl Bank of Detroit Phone: 248-822-5702 Fax: 248-637-5003	Loan		\$21,518,000
Warner Home Video Div of Time	Warner Home Video Div of Time 4000 Warner Blvd. Burbank, CA 91522 Attn: John Quinn Phone: 818-954-6677 Fax: 818-954-6102	Trade		\$21,013,625
Transamerica Life Insurance & Annuity Co. S/A	Transamerica Life Insurance & Annuity Co. S/A 433 Edgewood Road NE Cedar Rapids, IA 52499 Attn: Douglas Kolsrud Phone: 319-363-5400 Fax: 319-369-2009	Notes		\$20,750,000
Eveready Battery Company Inc	Eveready Battery Company Inc 16401 Swingley Ridge Rd. Chesterfield, MO 63017 Attn: Alicia Bryant Phone: 800-323-8177 Fax: 314-733-4001	Trade		\$20,002,598
General Electric Lamp	General Electric Lamp 2300 Meijer Drive Troy, MI 48084 Attn: Dave Dobson Phone: 248-280-4885	Trade		\$19,860,502

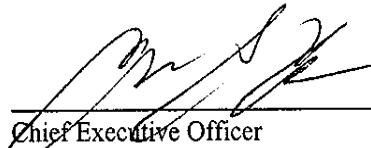
Fidelity High Income Fund	Fidelity High Income Fund 82 Devonshire Boston, MA 02109 Attn: Matthew Conti Phone: 617-563-7000 Fax: 617-570-0276	Notes		\$19,572,000
Loomis Sayles Bond Fund	Loomis Sayles Bond Fund 1 Financial Center, Flr. 34 Boston, MA 02111 Attn: Daniel J. Fuss Phone: 617-482-2450 Fax: 617-482-2828	Notes		\$19,190,000
Principal Life Insurance Co.	Principal Life Insurance Co. 711 High St. Des Moines, IA 50392 Attn: Richard W. Waugh Phone: 515-247-5111 Fax: 515-248-2490	Notes		\$19,000,000
Fisher Price Inc Credit Dept	Fisher Price Inc Credit Dept 636 Girard Ave. East Aurora, NY 14052 Attn: Jerry Cleary Phone: 212-620-8369 Fax: 716-687-3476	Trade		\$18,477,874
Fidelity Asset Manager Fund (Aggrgtd)	Fidelity Asset Manager Fund (Aggrgtd) 82 Devonshire Boston, MA 02109 Attn: Matthew Conti Phone: 617-563-7000 Fax: 617-570-0276	Notes		\$18,350,000
Electronic Arts	Electronic Arts 209 Redwood Shores Parkway Redwood City, CA 94065 Attn: Larry Probst Phone: 650-628-1500 Fax: 650-628-1414	Trade		\$18,203,561
New York Life Insurance Co.	New York Life Insurance Co. 51 Madison Ave. New York, NY 10010 Attn: Celia Holtzberg Phone: 212-576-7000 Fax: 212-576-3418	Notes		\$18,071,000
Northwestern Mutual Life Insurance Co.	Northwestern Mutual Life Insurance Co. 720 E. Wisconsin Ave. Milwaukee, WI 53202 Attn: Timothy S. Collins Phone: 414-665-1444 Fax: 414-625-2639	Notes		\$17,781,000

I, Charles C. Conaway, Chief Executive Officer of Kmart Corporation, declare under penalty of perjury that I have read the foregoing list and that it is true and correct as of January 22, 2002, to the best of my knowledge, information and belief.

Date: January 22, 2002

Signature:

Title:



Chief Executive Officer
Charles C. Conaway

**CERTIFICATE OF SECRETARY AS TO RESOLUTIONS
ADOPTED BY BOARD OF DIRECTORS OF
KMART CORPORATION**

I, the undersigned, being duly elected as Secretary of Kmart Corporation, a Michigan corporation (the "Corporation"), do hereby certify that the following resolutions were duly adopted by the Board of Directors of the Corporation (the "Board") at a meeting of the Board held on January 21, 2002, and such resolutions have not been amended or rescinded and are now in full force and effect:

WHEREAS, the Corporation may choose to enter into a debtor-in-possession loan facility (the "DIP Facility") with one or more lenders to provide for loans and other financial accommodations to the Corporation in the aggregate principal amount not to exceed \$2,000,000,000 which DIP Facility may be (i) guaranteed by one or more subsidiaries of the Corporation (the "Guarantors") and (ii) secured by liens on certain assets of the Corporation and the Guarantors and the proceeds thereof;

NOW THEREFORE BE IT RESOLVED, that, in the judgment of the Board, it is desirable and in the best interests of the Corporation, its creditors, stockholders, and other interested parties that a petition be filed by the Corporation seeking relief under the provisions of chapter 11 of title 11, United States Code (the "Bankruptcy Code");

FURTHER RESOLVED, that any officer of this Corporation, including, but not limited to, James B. Adamson, Charles C. Conaway, David Rots, Ronald Hutchison, John T. McDonald, Jr., Janet G. Kelley, James E. Defebaugh, Michelle H. Gluck and Alice Buckley or any person or persons so designated by the Board of Directors (collectively, the "Officers") be, and each hereby is, authorized and directed on behalf of this Corporation to execute and verify a petition in the name of the Corporation under chapter 11 of the Bankruptcy Code and to cause the same to be filed in the United States Bankruptcy Court for the Northern District of Illinois in such form and at such time as the Officer executing said petition on behalf of this Corporation shall determine;

FURTHER RESOLVED, that Ronald Hutchison is hereby appointed to serve as an Executive Vice President of the Corporation and as its Chief Restructuring Officer;

FURTHER RESOLVED, that the Officers or any one of them be, and each hereby is, authorized to execute and file or cause to be executed and filed (or direct others to do so on their behalf as provided herein) all necessary documents, including, without limitation, all

petitions, affidavits, schedules, motions, lists, applications, pleadings and other papers, and in that connection to employ and retain all assistance by legal counsel, accountants or other professionals and to take any and all action which they deem necessary and proper in connection with the chapter 11 case;

FURTHER RESOLVED, that the law firm of Skadden, Arps, Slate, Meagher & Flom (Illinois), 333 West Wacker Drive, Chicago, Illinois 60606, and its affiliated partnerships, be, and hereby are, employed and retained as bankruptcy counsel for the Corporation in the chapter 11 case;

FURTHER RESOLVED, that Dresdner Kleinwort Wasserstein, Inc. be, and hereby is, employed and retained as investment banker for the Corporation in the chapter 11 case;

FURTHER RESOLVED, that Rockwood Gemini Advisors be, and hereby is, employed under and retained as real estate consultant for the Corporation in the chapter 11 case;

FURTHER RESOLVED, that the Trumbull Services L.L.C. be, and hereby is, employed and retained as claims and noticing agent for the Corporation in the chapter 11 case;

FURTHER RESOLVED, that Abacus Advisory & Consulting Corp. LLC be, and hereby is, employed and retained as an inventory disposition consultant for the Corporation in the chapter 11 case;

FURTHER RESOLVED, that PricewaterhouseCoopers LLP be, and hereby is, employed and retained as financial advisor to provide non-audit related services to the Corporation in the chapter 11 case and to provide audit and tax services under separate engagement as ordinary course professionals;

FURTHER RESOLVED, that all acts lawfully done or actions lawfully taken by any Officers or any other officers of the Corporation to seek relief under chapter 11 of the Bankruptcy Code or in connection with the chapter 11 case, or any matter related thereto, be, and hereby are, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Corporation;

FURTHER RESOLVED, that the Corporation, as a debtor and debtor-in possession under chapter 11 of the Bankruptcy Code be, and hereby is, upon the determination of one or more Officers that it is appropriate and in the interests of the Corporation to procure the DIP Facility, authorized to borrow funds from a lender or lenders as any

Officer of the Corporation deems appropriate and to enter into and perform its obligations under the DIP Facility and all security documents, agreements, fee arrangements, certificates, instruments and documents referred to therein (collectively, the "DIP Documents");

FURTHER RESOLVED, that, in connection with the DIP Facility, each of the Officers is hereby authorized to negotiate, execute and deliver, in the name of the and on behalf of the Corporation as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code, each of the DIP Documents in such form as such Officers(s) deems necessary, appropriate or advisable, the execution thereof by such Officer(s) to be conclusive evidence of the approval and authorization by the Corporation as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code of the DIP Facility and the DIP Documents and to take such actions as they may deem to be necessary, appropriate or advisable in connection with the DIP Facility and the DIP Documents;

FURTHER RESOLVED, that in connection with the DIP Facility, the Corporation as a debtor and debtor-in-possession under chapter 11 of the Bankruptcy Code be, and hereby is, authorized to grant liens on such of the Corporation's assets as the Officers(s) may deem appropriate;

FURTHER RESOLVED, that all actions previously taken by an Officer or Officers in connection with the debtor-in-possession financing or any matter related thereto on behalf of the Corporation, are hereby adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Corporation;

FURTHER RESOLVED, that the Officers be, and each of them hereby is, authorized and empowered to execute and deliver for and on behalf of the Corporation, as a debtor and debtor-in-possession, such agreements, instruments and any and all other documents and amendments necessary or appropriate to facilitate the transactions contemplated by the foregoing resolutions, including, without limitation, any credit agreement, guarantee and/or security instrument containing such provisions, terms, conditions, covenants, warranties and representations as may be deemed necessary or appropriate by the Officer or Officers so acting;

FURTHER RESOLVED, that the Corporation as the majority stockholder, a partner, member, manager or sponsor, of each of the subsidiaries or trust listed on attached Schedule A (each a "Subsidiary" and collectively the "Subsidiaries"), hereby is authorized and empowered to take or cause to be taken any and all such further action and to execute and deliver or cause to be executed or delivered all such further agreements, consents, resolutions, documents, certificates and

undertakings, and to incur all such fees and expenses as in their judgment shall be necessary, appropriate or advisable to cause each of the Subsidiaries to execute and verify a petition in the name of such Subsidiary under chapter 11 of the Bankruptcy Code and to cause the same to be filed in the United States Bankruptcy Court for the Northern District of Illinois in such form and at such time as the officer executing said petition on behalf of such Subsidiary shall determine;

FURTHER RESOLVED, that the Corporation as the majority stockholder, a partner, member or manager of each Subsidiary, hereby is authorized and empowered to take or cause to be taken any and all such further action and to execute and deliver or cause to be executed or delivered all such further agreements, consents, resolutions, documents, certificates and undertakings, and to incur all such fees and expenses as in their judgment shall be necessary, appropriate or advisable to cause and authorize the Subsidiaries to guaranty the borrowing by the Corporation of funds from a lender or lenders as any Officer of the Corporation deems appropriate, and obtain the use of cash collateral in such amounts, from such lender or lenders and on such terms as may be approved by any one or more of the Officers as reasonably necessary for the continuing conduct of the affairs of the Corporation and the Subsidiaries, and each Subsidiary may grant security interests in and liens upon all or any portion of each Subsidiary's assets as may be deemed necessary by any one or more of the Officers in connection with such borrowings or the use of such cash collateral;

FURTHER RESOLVED, that the Officers of the Corporation be, and each of them, with full authority to act without the others, hereby is, authorized, in the name and on behalf of the Corporation, to take or cause to be taken any and all such further action and to execute and deliver or cause to be executed or delivered all such further agreements, documents, certificates and undertakings, and to incur all such fees and expenses as in their judgment shall be necessary, appropriate or advisable to effectuate the purpose and intent of any and all of the foregoing resolutions;

FURTHER RESOLVED, that in addition to the specific authorizations heretofore conferred upon the Officers of the Corporation, each of the Officers of the Corporation be, and they hereby are, authorized and directed to take or cause to be taken all such further actions, to execute and deliver or cause to be executed and delivered all such further certificates, agreements, instruments and documents in the name and on behalf of the Corporation and to incur all such fees and expenses as in their judgment shall be necessary or advisable in order to carry out fully the intent and purposes of the foregoing resolutions and each of them;

FURTHER RESOLVED, that James E. Defebaugh is hereby elected to serve as an officer of the Corporation in the capacity of Secretary; and

FURTHER RESOLVED, that any actions taken by such Officers or any other officers of the Corporation prior to the date set forth below with respect to the matters contemplated by the foregoing resolutions are hereby ratified, confirmed and approved in all respects.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Resolution as Secretary of the meeting on this 22nd day of January, 2002.



James E. Defebaugh
Secretary

Schedule A

Subsidiaries

Kmart Corporation of Illinois, Inc.
Kmart Financing I
Kmart of Indiana
Kmart of Pennsylvania LP
Kmart of Texas L.P.
Big Beaver Development Corporation
Big Beaver of Caguas Development Corporation
Big Beaver of Florida Development, LLC
Big Beaver of Guaynabo Development Corporation
Bluelight.com, LLC
Kmart Holdings, Inc.
Kmart Michigan Property Services, L.L.C.
Kmart of Amsterdam, NY Distribution Center, Inc.
Kmart Stores of Indiana, Inc.
Kmart of Michigan, Inc.
Kmart Stores of TNCP, Inc.
Kmart of North Carolina LLC
S.F.P.R., Inc.
TC Group I LLC
Troy CMBS Property, L.L.C.
Kmart Overseas Corporation
JAF, Inc.
Big Beaver of Caguas Development Corporation II
Big Beaver of Carolina Development Corporation
K mart Pharmacies, Inc.
Kmart Pharmacies of Minnesota, Inc.
Builders Square, Inc.
Kmart CMBS Financing, Inc.
K mart International Services, Inc.
PMB, Inc.
Sourcing & Technical Services Inc.
ILJ, Inc.
STI Merchandising, Inc.
KBL Holding Inc.
KLC, Inc.
VTA, Inc.
BlueLight.com, Inc.